

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
POWELL'S VALLEY WATER DISTRICT) CASE NO. 97-298

O R D E R

On June 30, 1997, Powell's Valley Water District ("Powell's Valley") submitted its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. During the 12 months ending March 31, 1997, Powell's Valley purchased water from Estill County Water District No. 1 ("Estill County"), city of Stanton ("Stanton"), Beech Fork Water Commission ("Beech Fork"), and the Levee Road Water Association ("Levee Road"). Powell's Valley purchased 99,325,630 gallons of water during this period and sold 80,289,280 gallons.

2. During the test year, Powell's Valley purchased 97,415,000 gallons of water from Beech Fork at a rate of \$1.30 per 1,000 gallons. Beech Fork has notified Powell's Valley that effective July 1, 1997 it will increase its wholesale rate to \$1.90 per 1,000 gallons.

3. Based on the increase in costs from Beech Fork, Powell's Valley will experience an increase in its purchased water cost in the amount of \$58,449, resulting in

a purchased water adjustment of 73 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills will increase \$3.65 from \$26.48 to \$30.13 or 13.78 percent.

4. The purchased water adjustment increase of 73 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

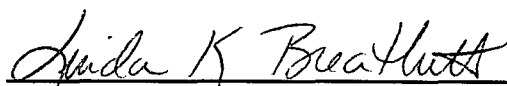
1. The purchased water adjustment increase of 73 cents per 1,000 gallons and the rates in Appendix A are approved for Powell's Valley July billing.

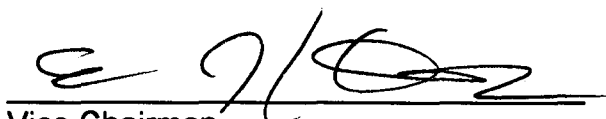
2. Within 30 days of the date of this Order, Powell's Valley shall file revised tariffs setting out the rates approved herein.

3. Within 30 days of the date of this Order, Powell's Valley shall file verification that notice of this increase has been given to its customers.

Done at Frankfort, Kentucky, this 28th day of July, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-298 DATED JULY 28, 1997

The following rates and charges are prescribed for the customers in the area served by Powell's Valley Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

First	2,000 Gallons	\$13.35	Minimum Bill
Next	2,000 Gallons	6.01	per 1,000 Gallons
Next	2,000 Gallons	4.76	per 1,000 Gallons
Over	6,000 Gallons	4.82	per 1,000 Gallons